

Proposal to Establish a Consolidated Public Works Department

By Jodi Ross
September 9, 2009

This is not an original idea

- **Town boards, committees and staff who have recommended centralizing and consolidating town departments:**
 - Commission for Efficient Town Government
 - Long Range Fiscal Planning Committee
 - Master Plan
 - Highway Superintendent
 - Board of Selectmen
 - DPW Task Force

Commission for Efficient Town Government

Recommendations:

- Centralize maintenance for all town and school vehicles, buildings and fields.
- Centralize all accounting functions; billing, payroll.
- Evaluate consolidating highway, parks, cemetery and water into a Public Works Department.
- Evaluate sharing town and school equipment.

Long Range Fiscal Planning Committee

Recommendations:

- Pursue operating efficiencies, centralize, eliminate redundancies.
- Develop a comprehensive, long-term facility usage/care plan.
- Analyze maintenance and custodial issues town-wide.
- Analyze feasibility and potential cost savings of creating a centralized public works dept with shared building maintenance, shared building cleaning, centralized vehicle maintenance.
- Analyze sharing of administrative functions across depts.

Master Plan

■ Recommendations:

- Consider ways to consolidate existing operations.
- Make more efficient use of available resources.
- Increase efficiency to reduce some of the stresses and improve our community's capacity to plan.
- Establish a DPW that reports to the town manager.
- Include engineering, highway, buildings and grounds, maintenance, fleet maintenance, park land, cemetery, solid waste, recycling, sewage, water.

Highway Superintendent recommends creating a DPW

- In 2002 Richard Barrett, Highway Superintendent recommended creating a DPW stating it “would in effect streamline the current services that the Highway Department is providing.”
- Barrett’s report stated creating a DPW would provide “a more effective and responsive government arm” and “streamline town government and increase its effectiveness.”

Board of Selectmen 2009-2010 Town Goals

- Evaluate cost reduction opportunities to achieve financial stability.
- Consolidate town departments where appropriate to improve efficiency and reduce costs.
- Consolidate vehicle maintenance and centralize fueling for all town and school vehicles.
- Centralize management and maintenance of all municipal facilities.

DPW Task Force

- In spring 2009 a 9 member Task Force was formed to research and recommend whether a DPW would benefit the town.
- On August 4, 2009 the Task Force voted unanimously that a conceptual presentation go before the Board of Selectmen to create a DPW position and department for the October 19th Special Town Meeting - with a DPW Implementation Task Force assigned to assist with a smooth transition.

Realization of town-wide goals

Creating a Department of Public Works will have a significant impact on the realization of the recommendations and goals of these town boards and committees.

- This will be fully accomplished over several years with the help of a DPW Implementation Task Force, and by seeking valuable input, and full participation from both town officials and staff.

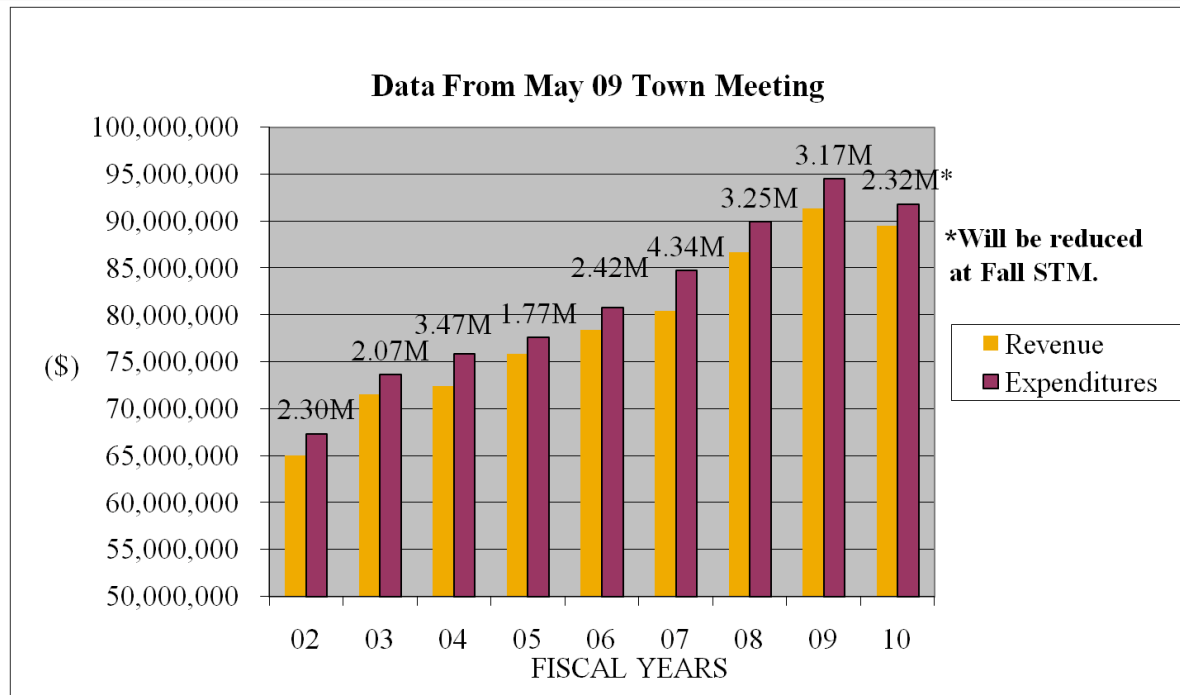
How will establishing a DPW improve our operations?

- Centralizing operations and consolidating staff, functions, resources and equipment will allow us to operate more **efficiently** and **cost effectively** as the town continues to grow, by removing any institutional barriers.
- We will also **increase productivity** of our staff, by creating expanded jobs, allowing job sharing, cross-training, and offering career growth opportunities.
- Becoming more efficient, cost effective and increasing productivity will allow us to **reduce costs *and* improve the quality of the services** we deliver.

Why establish a DPW now?

- Current Economic Climate
 - Fiscal crisis at the state level - reduced local aid - and reduced local revenue.
- Demand for improved productivity, efficiency, and quality.
- Consolidation of management and expenses for current and future growth of town, and our growing operational, maintenance and capital needs.
- Creation of town-wide facility, fleet and grounds maintenance.
- Positive experiences of other towns who have established a DPW.
- Operationally these departments function well and are providing excellent services, but we can be more efficient.
- We have positive, supportive relationships established between departments with camaraderie and teamwork.
- We have staffing opportunities to allow us to implement these changes without layoffs.

History of Revenue/Expenditure Gap for Past 8 Years



Why change if things are working?

- **Staffing** – *We have duplicate staff performing similar functions in many departments.*
- Each department:
 - Prepares and oversees its own operating and capital budget.
 - Participates in human resources (hiring, performance reviews, discipline) and labor relations matters (grievances, collective bargaining agreements).
 - Has its own administrative, maintenance, laborers, mechanics, and other staff.
 - Prepares payroll, processes bills, answers telephones.
 - Conducts its own procurement for contracted services it needs.
- *We are not sharing job functions. Employees perform in their assigned departments rather than where the need is.*

Why change if things are working?

Facilities: *130 Structures (50 facilities) Budgeting for operational and capital expenses as individual departments, not as one organization.*

- Each town building is overseen by a department head with most having his or her own custodian.
- No standard town-wide facility maintenance plan.
- Department heads spend valuable time maintaining their own facilities – sometimes without the needed expertise.
- We have not centralized procurement or contracts for maintenance needs.
- Emergencies are more costly than planned maintenance.

Why change if things are working?

Vehicles/Equipment: *164 vehicles in town fleet and hundreds of pieces of equipment.*

- Some duplication of vehicles and equipment across town departments.
- Evaluation needed of existing vehicle usage and maintenance processes to determine which should continue, and where there are opportunities for centralization and consolidation.
 - No true picture of the total costs to maintain our vehicles – we have mechanics (with duplicate tools and equipment) in different departments.
 - Fire, ambulance, police, highway, engineering, parks, cemetery, health, water, and school departments have their own fleet, and most service and maintain their own vehicles.
 - State-of-the-Art highway garage with State-of-the-Art equipment we are not using for entire fleet.
 - Contracting out for services we can perform in-house.

Why change if things are working?

Grounds: *We have more than 2500 acres of town-owned land and no centralized maintenance plan.*

- Maintenance for town parks, recreation fields, and cemeteries is overseen by the Parks, Recreation & Cemetery Director.
- Maintenance for school athletic fields is overseen by the School Facilities Manager.
- Maintenance for town conservation land (1600 acres) is overseen by the Conservation Agent.

What does this mean in terms of dollars?

- Public works related expenses in Westford amount to approximately \$9.8M annually or about 11.2% of our total budget.
- There are significant opportunities for reduction of expenses by consolidating under one department head.
 - 1% Reduction in Expenses = \$98,000
 - 2% Reduction in Expenses = 196,000
 - 3% Reduction in expenses = 294,000

| APPROPRIATION SUMMARY | FY10 | FY10 DPW | DPW % | Description |
|------------------------|------------|-----------|--------|--|
| GENERAL GOVERNMENT | 3,814,055 | 146,995 | 3.9% | Facility and vehicle maintenance |
| PUBLIC SAFETY | 7,213,641 | 214,709 | 3.0% | Facility and vehicle maintenance |
| EDUCATION | 44,314,278 | 1,045,000 | 2.4% | Facility and grounds maintenance |
| PUBLIC WORKS | 4,577,734 | 4,577,734 | 100.0% | All expenses |
| HEALTH HUMAN SERVICES | 821,410 | 40,154 | 4.9% | Facility and vehicle maintenance |
| CULTURE RECREATION | 1,696,867 | 343,636 | 20.3% | Facility, parks, and grounds maintenance |
| DEBT SERVICE | 9,740,502 | | 0.0% | |
| UNCLASSIFIED | 9,665,685 | | 0.0% | |
| COMMUNITY PRESERVATION | 789,369 | | 0.0% | |
| WATER ENTERPRISE | 3,424,152 | 3,424,152 | 100.0% | All expenses |
| RECREATION ENTERPRISE | 1,249,852 | | 0.0% | |
| AMBULANCE ENTERPRISE | 854,239 | 17,520 | 2.1% | Vehicle maintenance |
| Total | 88,174,631 | 9,809,900 | 11.2% | |

| DEPT | DESCRIPTION | TYPE | FY 2009 FUND | FY 2010 FUND |
|------|-----------------------|-------------------------|-----------------|--------------|
| 640 | AMBULANCE ENTERPRISE | Building Maintenance | \$ 2,500 | \$ 2,500 |
| 540 | COUNCIL ON AGING | BUILD- Elevator | \$ 2,700 | \$ 2,500 |
| 540 | COUNCIL ON AGING | BUILD Maint - HVAC | \$ 175 | \$ 175 |
| 540 | COUNCIL ON AGING | Building Maintenance | \$ 3,500 | \$ 3,000 |
| 220 | FIRE | Building Maintenance | \$ 6,000 | \$ 10,000 |
| 660 | LAND MANAGEMENT | Expenses | \$ 50,000 | \$ 51,500 |
| 210 | POLICE | Maintenance BLD & GRD | \$ 47,363 | \$ 47,346 |
| 640 | AMBULANCE ENTERPRISE | Custodial Supplies | \$ 1,000 | \$ 300 |
| 291 | ANIMAL CONTROL | Custodial Supplies | \$ 500 | \$ 400 |
| 540 | COUNCIL ON AGING | Custodial Supplies | \$ 1,800 | \$ 1,800 |
| 540 | COUNCIL ON AGING | Lighting elect supplies | \$ 500 | \$ 500 |
| 291 | EMERGENCY MANAGEMENT | Custodial Supplies | \$ 50 | \$ 50 |
| 220 | FIRE | Custodial Supplies | \$ 3,500 | \$ 3,500 |
| 610 | Library | Custodial Supplies | \$ 5,400 | \$ 5,475 |
| 640 | AMBULANCE ENTERPRISE | Vehicle Maintenance | \$ 6,720 | \$ 6,720 |
| 292 | ANIMAL CONTROL | Vehicle Maintenance | \$ 1,700 | \$ 1,700 |
| 510 | BOARD OF HEALTH | Vehicle Maintenance | \$ 400 | \$ 400 |
| 241 | BUILDING | Vehicle Maintenance | \$ 2,500 | \$ 2,000 |
| 541 | COUNCIL ON AGING | Vehicle Maintenance | \$ 5,000 | \$ 5,000 |
| 291 | EMERGENCY MANAGEMENT | Vehicle Maintenance | \$ 100 | \$ 250 |
| 220 | FIRE | Vehicle Maintenance | \$ 10,500 | \$ 9,799 |
| 210 | POLICE | Vehicle Maintenance | \$ 14,566 | \$ 43,500 |
| 640 | AMBULANCE ENTERPRISE | Vehicle Parts | \$ 1,000 | \$ 6,000 |
| 640 | AMBULANCE ENTERPRISE | Vehicle Tires | \$ 3,500 | \$ 2,000 |
| 291 | EMERGENCY MANAGEMENT | Vehicle Parts | \$ 500 | \$ 500 |
| 220 | FIRE | Vehicle Parts | \$ 8,000 | \$ 13,000 |
| 220 | FIRE | Vehicle Tires | \$ 4,500 | \$ 4,500 |
| 491 | CEMETERY | Expenses | \$ 17,200 | \$ 17,990 |
| 410 | ENGINEERING | Expenses | \$ 20,400 | \$ 13,850 |
| 421 | HIGHWAY | Expenses | \$ 1,408,835 | \$ 1,111,830 |
| 650 | PARKS | Expenses | \$ 40,775 | \$ 34,800 |
| 650 | PARKS | OFFSET | \$ (42,000) | \$ (52,000) |
| 432 | RECYCLING | Expenses | \$ 209,733 | \$ 189,383 |
| 440 | SEWERAGE | Expenses | \$ 5,000 | \$ 4,950 |
| 423 | SNOW ICE | Expenses | \$ 274,345 | \$ 274,345 |
| 433 | SOLID WASTE | Expenses | \$ 1,330,451 | \$ 1,375,851 |
| 427 | STORMWATER | Expenses | \$ 65,000 | \$ 64,350 |
| 424 | STREET LIGHTS | Expenses | \$ 118,000 | \$ 116,820 |
| 192 | TOWN HALL MAINTENANCE | Expenses | \$ 106,600 | \$ 102,200 |
| 294 | TREE WARDEN | Expenses | \$ 33,000 | \$ 32,650 |
| 600 | WATER ENTERPRISE | Expenses | \$ 1,590,547 | \$ 1,629,322 |
| | | | | \$ 5,140,756 |

FY10 Westford
public works related
expenses excluding
salaries: \$5,140,756

| Budget | Department | FY10 Budget |
|--------|-----------------------------|-------------|
| 210 | POLICE | \$ 43,500 |
| 220 | FIRE | \$ 9,799 |
| 241 | BUILDING | \$ 2,000 |
| 291 | EMERGENCY MANAGEMENT | \$ 750 |
| 292 | ANIMAL CONTROL | \$ 1,700 |
| 421 | HIGHWAY | \$ 173,000 |
| 423 | SNOW & ICE (FY09 Actual) | \$ 45,713 |
| 491 | CEMETERY | \$ 5,000 |
| 510 | BOARD OF HEALTH | \$ 400 |
| 541 | COUNCIL ON AGING | \$ 5,000 |
| 600 | WATER ENTERPRISE | \$ 16,000 |
| 640 | AMBULANCE ENTERPRISE | \$ 14,720 |

FY10 Westford
fleet related maintenance
expenses = \$317,582

*Does not include capital

Recommendation

Efficiencies will be created if we establish a Department of Public Works and centralize oversight of the following departments:

| | |
|------------------------------|------------------------|
| Cemetery | Highway |
| Conservation Land Management | Parks and Grounds |
| Engineering | Sewer Treatment Plants |
| Facilities | Solid Waste Disposal |
| Fleet | Storm Water Management |
| Forestry | Water |

- Future opportunities exist to evaluate centralization and consolidation of School Facilities, School Athletic Fields, and Recreation Athletic Fields.

How can we justify the additional expense of hiring a DPW Director?

- Combine all “public works” operations under one Director of Public Works for **centralized control, accountability, and prioritization.**
- With most budget line items related to public works being consolidated, there will be greater opportunities **to track and reduce expenses** across the public works areas.
- Establish more **consistent operation procedures** across departments.

How can we justify the additional expense of hiring a DPW Director?

- Conduct cost/benefit analyses to evaluate certain operations and services to determine which should be modified, out-sourced, or discontinued.
- Combine resources and eliminating redundancy between departments.
- Conduct benchmarking and work-order tracking for planning and evaluating performance.
- Centralize procurement for public works departments, including operations, facilities, fleet, equipment, utilities, supplies and capital.

How can we justify the additional expense of hiring a DPW Director?

- Allocate public works staff where needed most.
- Reduce expenses by sharing administrative and other staff, and broadening job responsibilities, i.e. Environmental Compliance Officer for entire DPW.
- Examine alternative work schedules to reduce the need for overtime and provide better service.
- Better responsiveness due to increased staffing flexibility.

How can we justify the additional expense of hiring a DPW Director?

- Inventory and establish a schedule of costs, usage, maintenance and replacement for town facilities, vehicles and equipment, enabling prioritization of maintenance and replacement.
- Determine any duplicate vehicles or equipment which may be sold or not replaced to reduce fleet and equipment inventory.
- Implement centralized fueling.
- Insure public safety vehicles are properly maintained and ready for emergencies.
- Oversee, coordinate and prioritize facility needs.

How can we justify the additional expense of hiring a DPW Director?

- More resources available to better manage construction projects, including facilities and roads.
- Examine regionalization opportunities, including procurement, operations, vehicle and equipment sharing.
- Opportunities to improve snow removal operations.
- Better coordination with Recycling, Energy, and other committees.
- Evaluate other opportunities, such as transferring water billing and collections to town collector's office.

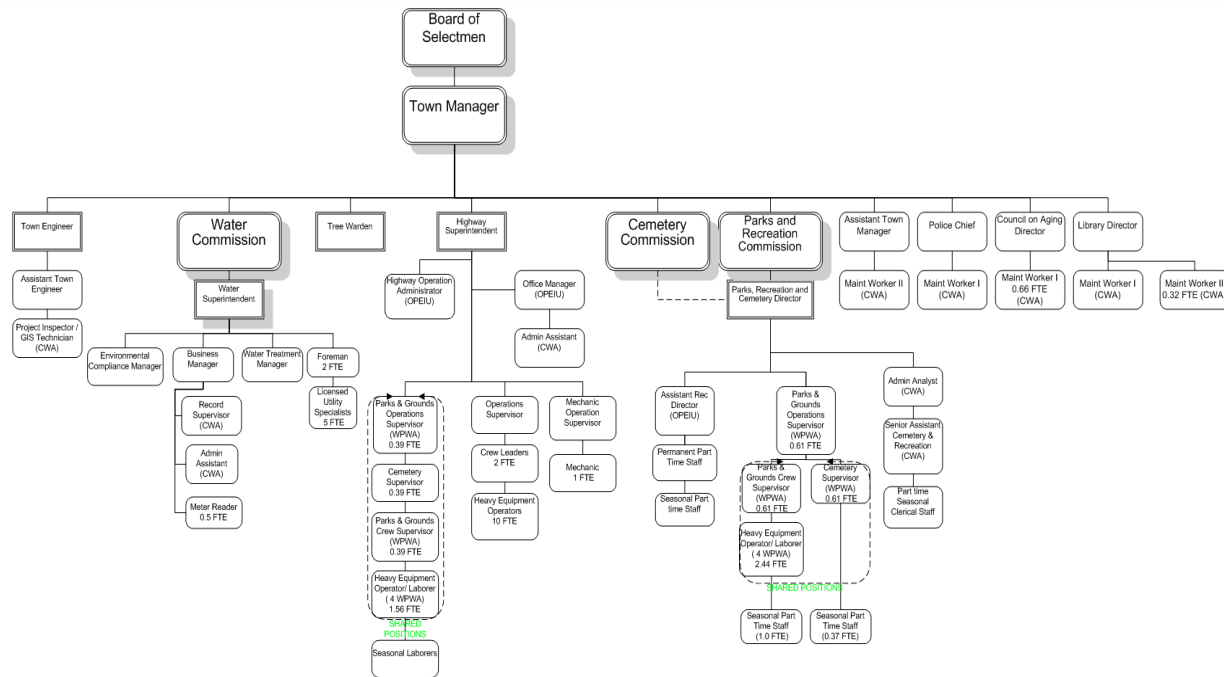
Example of Potential Cost Savings

| Cost Saving Measure | Approximate Annual Costs Before Reorganization | Potential Annual Costs After Reorganization | Potential cost |
|--|--|---|-----------------------|
| Reduce the administrative staff* in Public Works from 5.0 FTE to 3.0 FTE (through attrition) | \$285,235 | \$166,636 | \$118,599 |
| Consolidate all expense line items related to public works and apply a 3.0% reduction to the total | \$5,343,119 | \$5,187,494 | \$155,625 |
| New DPW Director Position Less Benefits | \$0 | \$100,000 | (100,000) (11,830) |
| | Projected 1 Year Savings | | \$162,394 |
| | Projected 5 Year Savings | | \$811,970 |

In order to operate efficiently, a town needs:

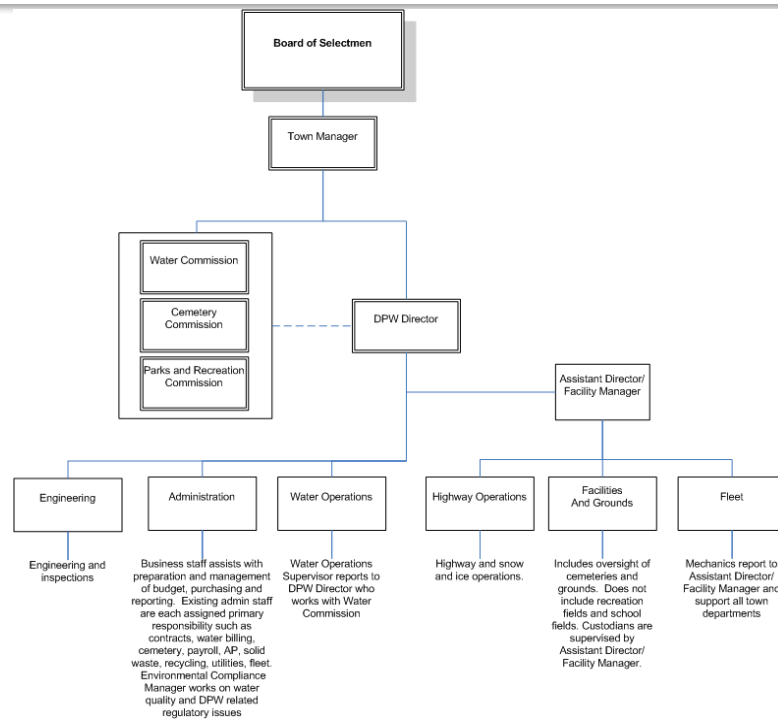
- A core team to help manage the town and its resources, and uniform policies and procedures to achieve the established goals.
- Clear organizational structure, to improve accountability and avoid duplication.
- The authority to manage the resources of the town.

Current Organizational Structure

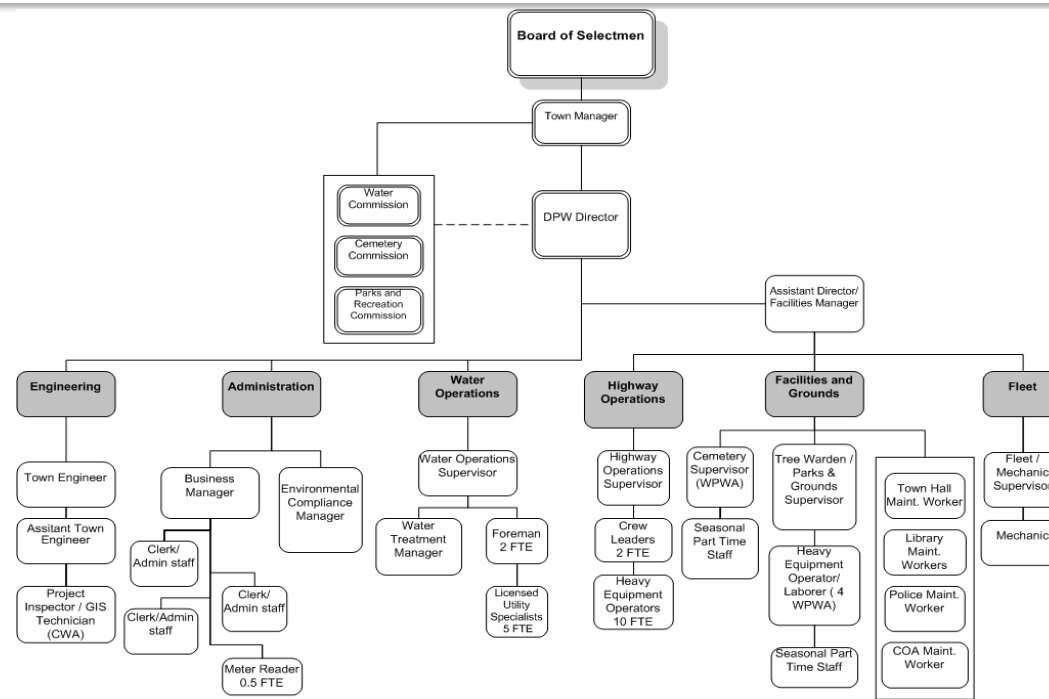


Conceptual DPW Organizational Structure

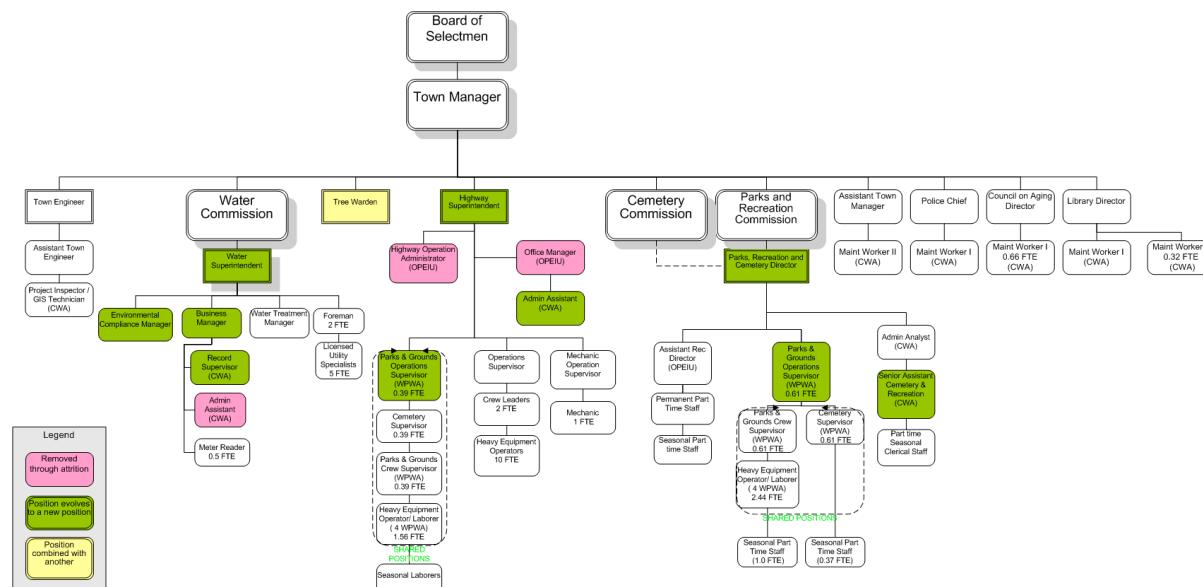
(not outline of specific jobs)



Proposed DPW Organization Structure



Changes to Current Organizational Structure



What about the Commissioners?

- Currently we have:
 - Water Commission
 - Parks & Recreation Commission
 - Cemetery Commission
- Commissions will continue to play a valuable advisory role in recommending policies, rates, and capital needs of their areas. They will act as representatives for their areas.

Future Role of Commissions

- **Water Commission** should assume an advisory role in setting the water rates, recommending capital improvements, and advocating for water issues.
- **Parks & Recreation Commission** should have an advisory role in the recommendation for development and acquisition of new parks and parkland and/or the expansion or upgrade of existing parks and parkland.
- **Cemetery Commission** should to assume an advisory role in determining eligibility and setting the rates for burial in the town's cemeteries, and to recommend the expenditure of cemetery funds.

Process for Establishment of Public Works Department

- Town manager presents proposal to the Board of Selectmen for their approval of the reorganization plan, in accordance with Section 15 of the Charter.
- The town manager meets with the Personnel Advisory Committee to approve the DPW Director's job description and salary band.
- Clarification changes to our charter are on this town meeting warrant, and existing bylaws changes will be brought to our Annual Town Meeting in March.
- Legislative approval for charter changes – Attorney General for bylaw changes.
- If town meeting approves, we will begin advertising to hire DPW Director who shall be appointed by the town manager, with confirmation by BoS.
- Implementation Task Force will begin working with DPW Director to cooperatively and methodically develop short and long term organizational changes, including deliverables with timetable.
- Human Resources Director and Town Manager to impact or decision bargain staffing changes with unions.

Reduction in Expenses over Past 12 Months

- **Town operating budgets (4.6%) from FY09**

| | |
|---|-----------|
| ▪ Utility Savings from Reserve Fund | \$626,011 |
| ▪ FEMA reimbursement | 528,376 |
| ▪ Projected MEMA reimbursement | 87,132 |
| ▪ RFPs for legal, insurance, health insurance | 369,000 |
| ▪ Reduced staffing levels (7 FTP equiv.) | 348,000 |
| ▪ Reduced compensation reserve | 181,000 |
| ▪ Reduced IT expenses | 68,000 |
| ▪ Negotiated lower tipping fees | 57,000 |
| ▪ Reduced office supplies | 41,000 |
| ▪ Meetings & Conferences | 35,000 |

Reduction in Expenses over Past 12 Months (continued)

- | | |
|--|--------------------|
| ■ Reduced printing | 25,000 |
| ■ Hiring and spending freezes implemented | |
| ■ Restricted use of town vehicles | |
| ■ Total savings in past 12 months: | \$2,365,519 |
| ■ Recent Reductions | |
| ■ RFP for Health Insurance reduced increase from 9% to 5.5%. | \$214,200 |

Currently reviewing other reduction in staff opportunities.

Track Record of Funding Capital Budget

- In 2009, Town Manager created a Capital Planning Committee who reviewed, prioritized and recommended town-wide capital budget.
- \$1.5 M Capital Budget submitted by Town Manager to annual town meeting for approval.
 - Included \$361,311 into Capital Stabilization Fund for a balance of \$461,311.

Market Basket Towns

(sorted by per capita DPW spending)

| Municipality | Public Works FYo8 | Total Expenditures FYo8 | Population FYo7 | Per Capita | Public Sewer | Public Water | Consolidated DPW |
|---------------|-------------------|-------------------------|-----------------|------------|--------------|--------------|------------------|
| BEDFORD | 7,267,206 | 64,287,583 | 13,146 | 552.8 | Yes | Yes | yes |
| BURLINGTON | 8,746,211 | 84,768,451 | 25,034 | 349.4 | Yes | Yes | yes |
| BILLERICA | 13,826,077 | 110,938,540 | 42,038 | 328.9 | Yes | Yes | yes |
| WELLESLEY | 6,618,656 | 94,348,576 | 26,985 | 245.3 | Yes | Yes | yes |
| LEXINGTON | 7,353,701 | 106,350,094 | 30,332 | 242.4 | Yes | Yes | yes |
| WAKEFIELD | 5,954,876 | 57,018,473 | 24,706 | 241 | Yes | Yes | yes |
| WILMINGTON | 5,120,973 | 62,303,687 | 21,679 | 236.2 | Yes | No | yes |
| WESTFORD | 4,964,216 | 78,079,262 | 21,790 | 227.8 | No | Yes | no |
| READING | 5,064,543 | 74,150,587 | 23,129 | 219.0 | Yes | Yes | yes |
| BELMONT | 4,918,320 | 63,380,827 | 23,356 | 210.6 | Yes | Yes | yes |
| CONCORD | 3,339,531 | 63,845,706 | 17,482 | 191 | Yes | Yes | yes |
| WESTBOROUGH | 3,510,144 | 68,214,020 | 18,459 | 190.2 | Yes | Yes | yes |
| SUDBURY | 3,208,727 | 67,622,854 | 17,159 | 187 | No | Yes | yes |
| ANDOVER | 6,046,680 | 112,710,313 | 33,284 | 181.7 | Yes | Yes | yes |
| CHELMSFORD | 5,878,240 | 94,944,821 | 34,128 | 172.2 | Yes | Yes | yes |
| DRACUT | 5,008,624 | 53,011,123 | 29,498 | 169.8 | Yes | Yes | no |
| NORTH ANDOVER | 4,287,584 | 66,707,578 | 27,637 | 155.1 | Yes | Yes | yes |
| TEWKSBURY | 4,326,999 | 65,603,015 | 29,607 | 146.1 | Yes | Yes | yes |
| STONEHAM | 3,116,140 | 52,691,118 | 21,508 | 144.9 | Yes | Yes | yes |
| ACTON | 2,120,813 | 69,933,105 | 20,753 | 102.2 | yes | Yes | no |

Financial source: Massachusetts Department of Revenue, Division of Local Services. Municipal Databank FY08. Water and Sewer Source: MassGIS Data

Our Market Basket towns who have created a DPW

- Town Managers in our Market Basket towns of:

- Arlington
- Belmont
- Brookline
- Dracut
- Lexington
- Watertown
- Wellesley
- Winchester
- Westborough

All reported **success**, including **improved delivery of service** and most reported a **reduction in expenses** after forming a DPW.

- Groton and Wayland have recently formed consolidated public works departments.

Summary

- **By creating a DPW, we will:**
 - Streamline by consolidating departments, creating job consolidations by merging staff through attrition where appropriate, and combining operations under one division area to provide better oversight and accountability, and reduce or eliminate redundancy, and remove institutional barriers.
 - Create a central point to coordinate sharing of resources, including facilities, fleet, and equipment; such as lawnmowers, tractors, and plows.
 - Provide better oversight of facilities to identify town-wide infrastructure needs, including prioritizing and coordinating maintenance, rather than piecemeal approach or posturing amongst department heads.
 - Create more flexibility in staffing, including cross-training, assigning work duties to workforce, deployment of staff where needed.
 - Centralize maintenance of parks, forests, cemeteries, conservation land.

Conclusion

- **Whatever the outcome, we are committed to:**
 - Ongoing review and implementation of Efficient Town Government, Long Range Fiscal Policy Committee, and Comprehensive Master Plan recommendations.
 - Monitoring the economy, state aid, and local revenues, and making adjustments in our budget as needed.
 - Protecting town services, infrastructure, and cost containment to maintain the town's financial viability for now and in the future.